



July 3, 2019

Via Electronic Filing

Hon. Jocelyn G. Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Suite 100
Columbia, SC 29210

Re: Vote Solar's Proposal for Net Energy Metering Procedural Schedule; Docket Nos. 2019-176-E and 2019-182-E

Pursuant to the motion of Commissioner Williams at the June 26, 2019 business meeting, Vote Solar appreciates the opportunity to comment on procedural matters related to implementation of the Energy Freedom Act ("Act 62"). Vote Solar supports the procedural recommendations of the Solar Business Alliance, generally, but writes separately to propose a specific procedural path for the implementation of the net energy metering provisions in § 58-40-20. The intent of this proposal is to limit the scope of litigated issues through a pre-filing collaborative stakeholder process. Vote Solar is filing this comment letter in this generic proceeding for the sake of administrative ease, but asks that the Commission incorporate its proposal across any and all Act 62-related net energy metering dockets it has or may open.

I. Act 62 Contemplates a Single, Generic Docket to Fulfill the Initial Requirements of § 58-40-20.

Vote Solar recommends that the Commission perform all of the initial tasks required by Act 62 within the single, generic docket which is currently captioned to "investigate and determine the costs and benefits of the net energy metering program" and to "establish a methodology for calculating the value of the energy produced by customer-generators." Including the adoption of a solar choice metering tariff and policy within the scope of this generic proceeding would promote consistency across electrical utilities and provide a well-developed record of the costs and benefits necessary to support Commission approval of a solar choice metering tariff.

The Commission has the discretion to make this scoping decision, as the statute is not explicit on whether the solar choice metering tariff should be in the same generic docket or in utility-specific proceedings. The statute provides that the "Commission shall establish a 'solar choice metering tariff'" (§ 58-40-20(F)(1)) [*emphasis added*] and does not specifically address the means by which a "solar choice metering tariff" will be introduced for consideration (i.e., it does not limit submission of successor tariff proposals to electrical utilities). Similar to how the

current net energy metering tariff is consistent across all utilities, Act 62 suggests a uniform result on the structure of a solar choice metering tariff and policy for all investor-owned utilities. It would be appropriate and most efficient, thus, for the Commission to fulfill all of the initial duties required by § 58-40-20 in this single generic docket.

II. Starting Technical Workshops in the Fall of 2019 Will Assist Parties in Untangling the Novel and Complex Analyses Required by Act 62.

Of all of the different proceedings related to Act 62, net energy metering may be one of the most complex, involving novel questions requiring development of new analytical methods. Absent Commission action to hire a third-party consultant to perform the required analyses, it will rest on parties, collectively, to provide the evidence that is needed to satisfy the Commission's duty under the law to consider all of the mandatory factors. It is for that reason that Vote Solar suggests there is merit in initiating an informal collaborative stakeholder process far ahead of the formal establishment of a litigation schedule. Such an informal process empowers stakeholders to have open and frank discussion and to explore potential agreement on methodology before litigation positions have hardened.

Vote Solar specifically supports a series of public technical workshops and subsequent intervenor-only negotiation sessions, drawn from the success of such approaches in streamlining the litigated process of developing a net energy metering successor policy in Utah and New Hampshire.¹ If parties participate meaningfully and in good faith, it is possible and plausible that many methodological and data availability issues could be resolved in advance of the litigated phase of the proceeding, significantly shortening the list of contested issues and the length of any evidentiary hearing. In order to maximize the opportunity for compromise in this proceeding, Vote Solar urges the Commission that it is essential to build some breathing room into this process to allow parties and their expert consultants time to perform analyses and to negotiate.

As shown in the attached proposed schedule, Vote Solar recommends a minimum of six technical workshops or negotiating sessions:

- Session 1: Discussion of data availability and generic data production requests;
- Session 2: Presentations on cost of service study issues and on prior net energy metering cost-benefit studies and approaches from around the country;
- Session 3: Presentations from experts on rate design and net energy metering successor tariff examples from other jurisdictions; and
- Sessions 4-6: Intervenor-only meetings for negotiations toward reaching stipulation on litigation procedural schedule and on cost-benefit analytical frameworks.

III. The Commission Need Only Establish a Notice Deadline for the Informal Workshops and an April 2020 Status Conference to Finalize the Litigation Schedule.

¹ New Hampshire Public Utilities Commission Docket No. 16-576 (Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators); Utah Public Service Commission Docket No. 14-034-114 (In the Matter of the Investigation of the Costs and Benefits of PacifiCorp's Net Metering Program).

At a time after the technical workshop period (April 2020), Vote Solar proposes that the Commission schedule a status conference for parties to inform the Commission of any progress toward stipulation and to make further recommendations on the procedural schedule in light of the circumstances at that time. With this flexible approach, the Commission need only establish two set dates at this time: (1) a deadline for the electrical utilities to file a joint notice of technical workshops; and (2) the date of a status conference to set the procedural schedule for the remainder of the proceeding.

While Vote Solar believes that a status conference in April 2020 would be the most appropriate time to establish the procedural schedule for the litigated phase of the proceeding, we also recommend that the Commission build in more breathing room than is typical between the rounds of pre-filed testimony. This will be needed to accommodate the complexity and scale of the proceeding. Since the only statutory deadline the Commission is still facing is to approve a solar choice metering tariff by May 31, 2021, Vote Solar recommends that pre-filed testimony and evidentiary hearings span the period from August 2020 through November 2020, with proposed orders and briefs by the end of 2020. Given the novel and complex requirements of Act 62, Vote Solar recommends building in a ten- to twelve-week period for the Commission to deliberate and issue its final order determining costs and benefits, approving an energy valuation methodology, and establishing a solar choice metering tariff.

Lastly, it is important for solar providers to have some lead time between a final order adopting a new policy and the effective date of June 1, 2021 for the solar choice metering tariff. Solar providers and their sales staffs are used to communicating with customers regarding the status quo net metering policy and will need several months to modify internal processes to be able to effectively and accurately market solar under the new tariff to the public. Building in this visibility and lead time is necessary to advance the legislature's intent to "avoid disruption to the growing market for customer-scale distributed energy resources." § 58-40-20(A).

IV. Conclusion

Vote Solar respectfully requests that the Commission adopt its procedural recommendation to: (1) establish a joint notice deadline for an informal technical workshop and settlement process; and (2) establish an April 2020 date for a status conference to finalize the procedural schedule for the litigated phase of this proceeding. This proposal will promote judicial efficiency and sound public policy by providing the Commission a robust evidentiary record to support its duties under the law to adopt a solar choice metering tariff in light of the costs and benefits of the net energy metering program.

Respectfully submitted,

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Enclosures

ATTACHMENT A: ILLUSTRATIVE NET ENERGY METERING PROCEDURAL PROPOSAL

